2004 SENIOR FINANCIAL MANAGER SEMINAR

Major Eric Garretty

Acting Asst Program Development Officer

Programs & Resources, HQMC

AGENDA

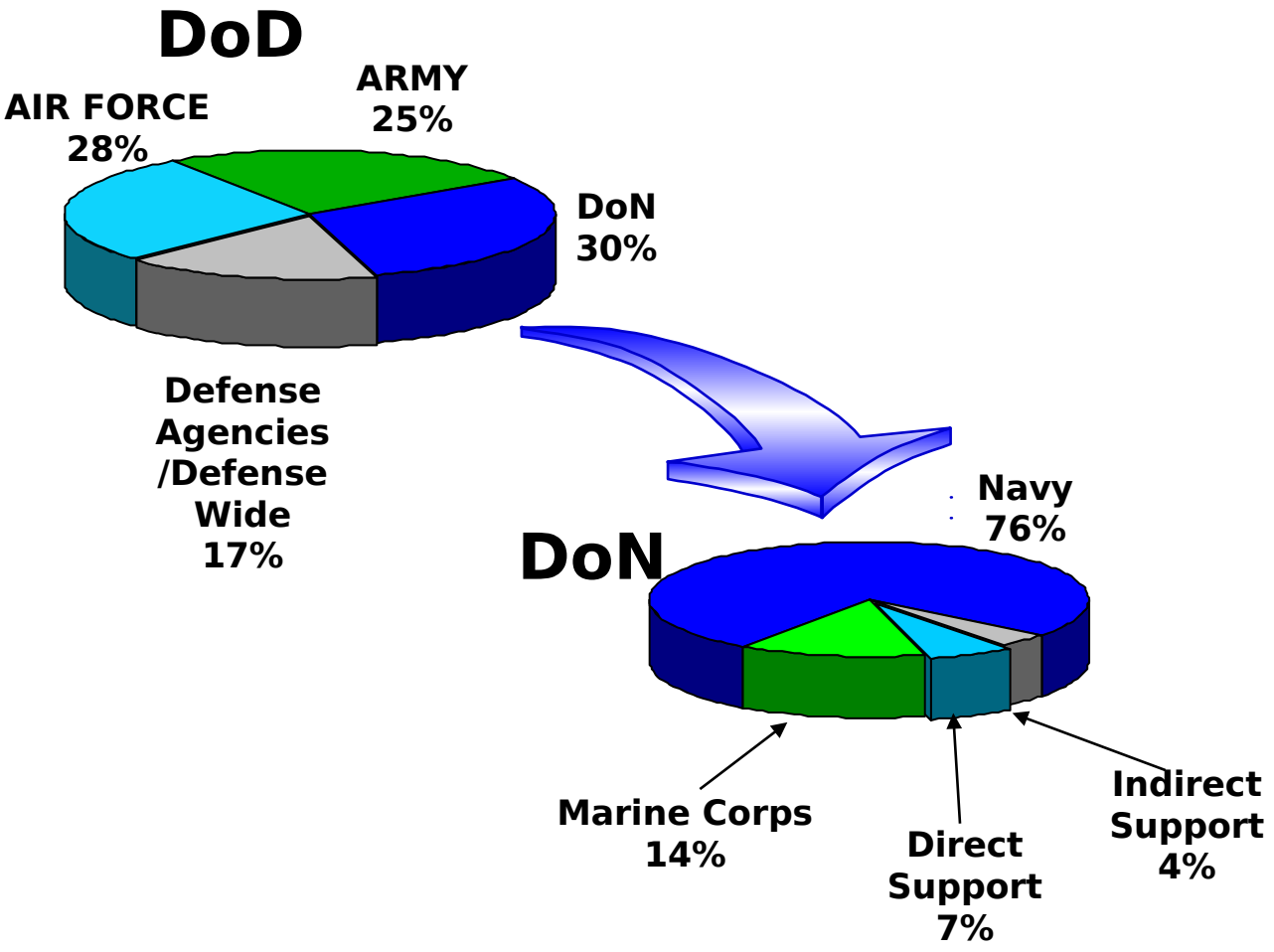
- Blue Green Split
- POM06 Update
- PBDD

You **will** be the one who tells the Sr. Fin. Managers about POM06 !!

m the messenger, please feel free to fire at wil

BLUE/GREEN SPLIT BISOG

Cost of the Corps
(USMC Calculation - FYDP Avg)



7 %

(USMC TOA + Direct) / DoD TOA

WHAT DOES 7 PERCENT OF THE DOD BUDGET BUY?

Marine Corps Units Constitute…

- 20% of active ground maneuver battalions

- 33% of active ground combat service support forces

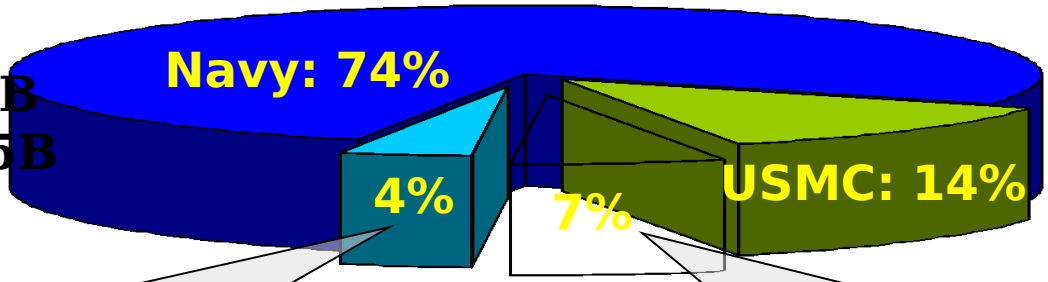
- 20% of active fighter/ attack …ons

- 17% of attack helicopters

PB05 Blue/Green Overview

Blue/Green $
DoN - $119.4B

Navy - $102.7B
Indirect - $5.5B



MC - $16.8B
Direct - $8.9B

Navy "Indirect Support"

- LPD-17
- LHA(R
- DDX
- MPF(F) and MPF(F) Aviation Variant
- Connectors:
  - LCAC SLEP
  - HSV
  - LCU(R)

Navy "Direct Support"

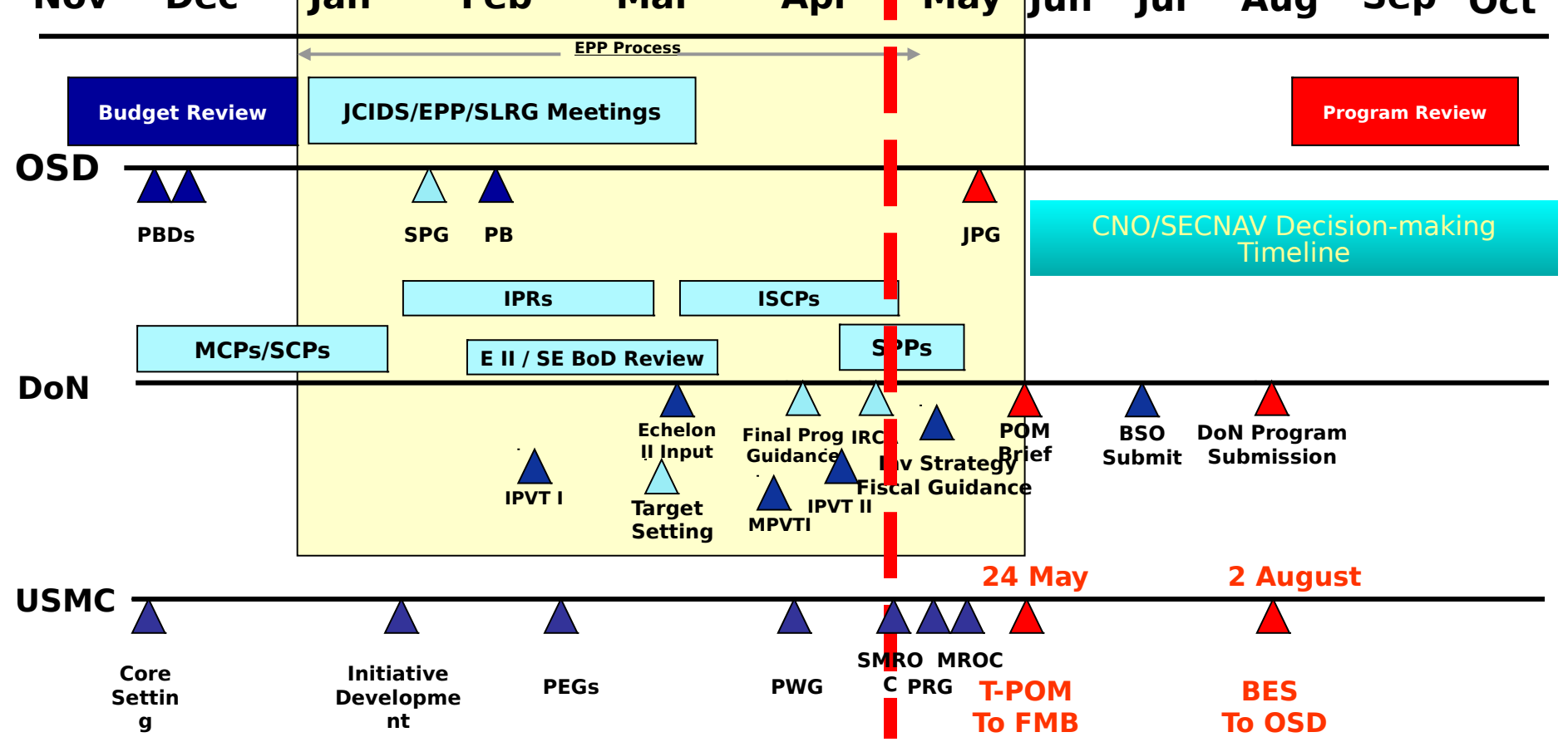
- MV-22
- UH-1Y/Z
- KC-130J
- CH-46 ERIP
- CH-53X Follow On RDT&E
- JSF RDT&E
- VHXX Executive Helo

Potential Issues for POM06

- Aviation
  - OIF II Impacts on warfighter readiness
  - Considerable force modernization/transformation
  - JSF (STOVL)
  - MV-22
- Shipbuilding
  - LHA(R)
  - LPD-17 Procurement
  - Joint Sea Basing Investment in MPF(F)
  - DD(X) Program

POM06 UPDATE

Concurrent Program/Budget



POM06 Status

- Migrating $$$ out of Investment Area:
  - Into Manpower
  - O&M (mostly in outyears)
- Challenge is to: fight GWOT, sustain the existing Manpower levels/Equipment fleet, and transform to MEB 2015/Distributed Ops
- Transformation, election-year churn, and upheaval in Joint Process (e.g. SPG, JPG, JCIDS) have created churn-level above normal levels
- FY04 fiscal situation also impacts way ahead
  - Support for Ops in IRAQ
  - Force Structure decisions

SPG Compliance

Operational Risk	Full Fund	Partial Func	Unfunded	Remarks
GWOT #1 Priority ↓		✓		Prioritize capabilities, Ops Readiness; Lessons Learned in POR
Joint Capabilities ↓		✓		Force structure, management, munitions, LD/HD shortfall
Intelligence ↓	✓			Horizontal Integration, bandwidth expansion
Stability Operations ↓	✓			Standing or Modular Force Units (USMC & USA)
Traditional Dominance ↑		✓		Classified Secret
CBRN Installation Protection ⇨		✓		ATFP, Critical Infrastructure Protection
Future Challenges				
Net-Centric ↓		✓		Capabilities that enhance data transfer and usability; IPV6
Joint Interoperability ↓		✓		Near-real-time targeting, COP, CID, force planning, C2
Legacy Systems ↑		✓		GWOT exception, Min Recap not integrated; S&T 3% growth
Training Ranges ⇨		✓		SecDef approved T2 Plan; JNTCapabilities
Force Management Risk				
Force Management/Availability ↓	✓			175k+AC, 39.6k+RC, right mix. Modular/MAGTF for steady Ops
Military to Civilian Conversions ↑	✓			Executing PBD712, 1372 billets
Reachback ↑		✓		IT and organizations to reduce force structure requirements
Family Housing ⇨	✓			Eliminate inadequate family housing and barracks by FY07, PPV
Institutional Risk				
Planning tools & processes ↓	✓			Adaptive Contingency, Future Force/Analytical Agenda
Headquarters Delayering ↑			✓	Pursue IT and innovative organizations to reduce personnel
FSRM ⇨		✓		Sustainment 95-100%, 67 Yr ReCap FY08; C2 TBD

↓ **duce Risk (+$)** ↑ **Accept Risk (-$)** ⇨ **Hold Risk ($)** ✓ **PWG Recommend**

CMC Guidance

Warfighting Requirements	Full Fund	Partial Fund	Unfunded	Remarks
C2 scaleable, LOS, bandwidth		✓		CONDOR, SMART-T, LMST, DACT, LAV C2, IISR; UOC, NMCI
ISR balance at all levels	✓			DCGS, Trojan Spirit, TEG, SURSS, Recon; COBRA
GCE Indirect Fires balance		✓		LW155 w/ TAD, HIMARS, Mortars; EFSS
Crosscutting Capabilities		✓		PEI Reprocurement, Optics, ILBE, MCTIS; JTRS (above core)
S&T investment BP05	✓			3% Real Growth through FY07
New Starts highly effective	✓			CONDOR, SMART-T, LAV Lethality, RFID, Auto Log, MCEITS
Total Force Manpower	**Full Fund**	**Partial Fund**	**Unfunded**	**Remarks**
Pay and Entitlements	✓			60% TOA, $70.5B/FYDP; Tuition Assistance, CONUS COLA
Endstrength/Force Structure		✓		175K+AC, 39.6K RC; Top 6, 52% to 54%
Mil-Civ Conversions	✓			1372/FYDP+
Recruiting Command		✓		Core funding; Advertising core -, Ops Sustainment core +
Information Management	✓			TFAS, Manpower Models, HRDP
Installations & Logistics	**Full Fund**	**Partial Fund**	**Unfunded**	**Remarks**
C2, in-transit visibility		✓		GCSS-MC (+/-), AIT Radio, Auto Log
Depot Maintenance		✓		Funded 70% $1.5B Rqmt; Cbt Veh, Engr Equip, Missiles
MCBE Initiatives	✓			A-76 Comp Outsource, ABC, POM Dev Performance Msrs
MILCON, FSRM, Ranges		✓		100% Sustainment, 67 Yr Recap by FY08; C2 2014; Range S/U/M
BEQ & Family Housing	✓			SPG - eliminate inadequate housing thru PPV, 2x0 BEQ Std by Ade

Funded Initiatives Unfunded Initiatives

Advocate Top 5 Initiatives

(AC) Above Core, (BB) Buy Back, (NS) New Start

PP&O (GCE) Top 5	Full Fund	Partial Fund	Unfunded
AAV RAM/RS (AC)	✓		
GWLR (BB)	✓		
Infantry Capability Set (NS)	✓		
Co & Bn Mortars (AC)	✓		
EFSS (BB)			✓

I&L (CSSE) Top 5	Full Fund	Partial Fund	Unfunded
GCSS-MC (AC)		✓	
RFID (NS)		✓	
LVSR (BB)		✓	
Flatrack Refueler (BB)		✓	
Autonomic Logistics		✓	

AVN (ACE) TOP 5	Full Fund	Partial Fund	Unfunded
MRRS (BB)		✓	
CLAWS (BB)		✓	
CTN (BB)		✓	
LAAD Transformation (NS)	✓		
Rapid Runway Repair (NS)	✓		

I&L (SE) Top 5	Full Fund	Partial Fund	Unfunded
Fam House (adequate by 07)	✓		
Sustainment (95%-100%)		✓	
C2 Readiness Buyout		✓	
MILCON Band 1			✓
MCNR Band 1			✓

MCCDC (CE) Top 5	Full Fund	Partial Fund	Unfunded
CONDOR (NS)	✓		
DACT (BB/AC)	✓		
TLDHS (NS)		✓	
SURSS (AC)		✓	
MCTIS (BB)		✓	

M&RA Top 5	Full Fund	Partial Fund	Unfunded
Total Force Administration System	✓		
Advertising (Core Buyback)			✓
Defense Travel System			✓
Foreign Language Proficiency Pay			✓
Recruiting Operations			✓

✓ Advocate traded some funding for other capabilities

* >$165m of M&RA initiatives funded as “corporate bills” in FY06 before PWG

MarFor Top Initiatives

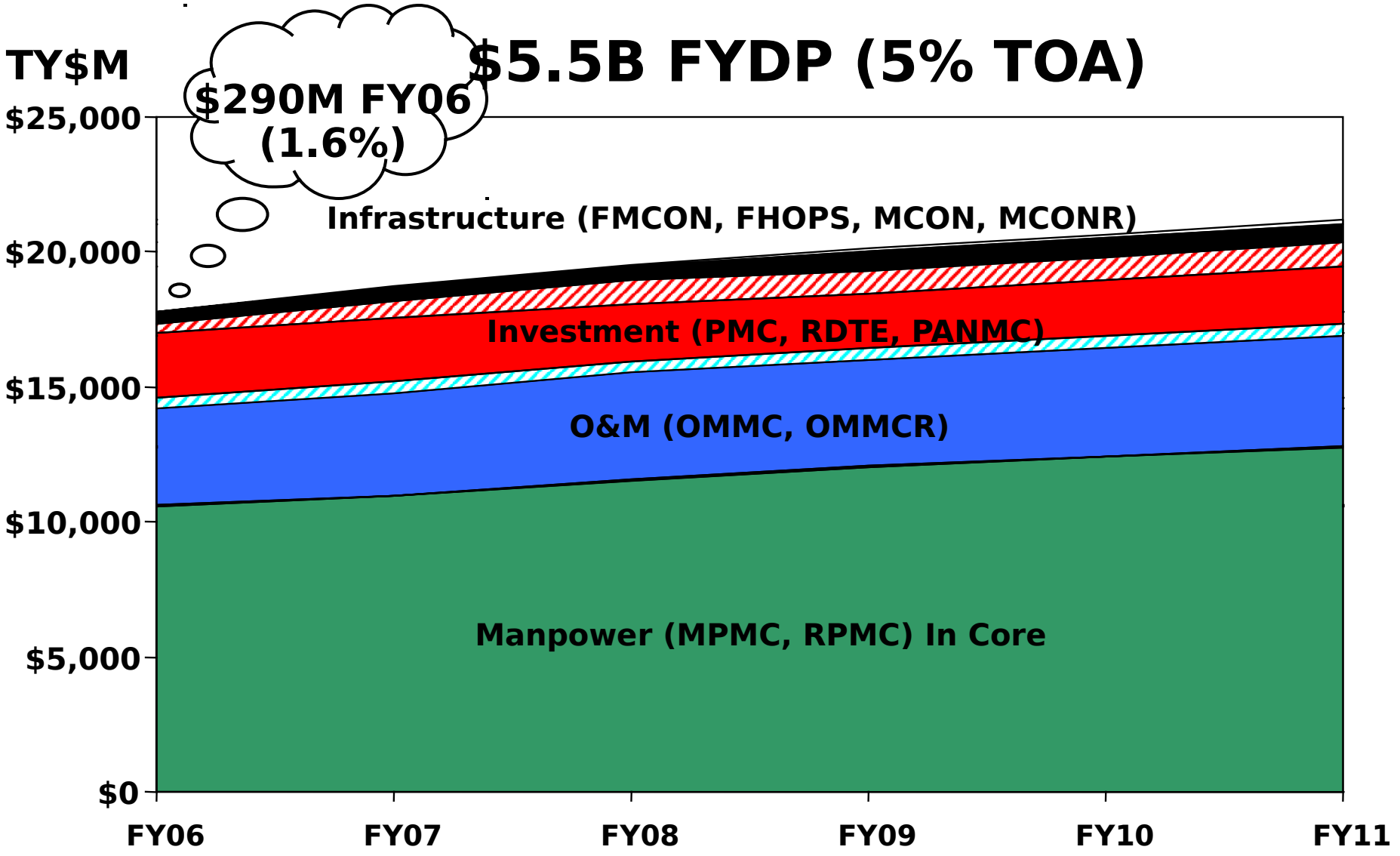
%In Core (FY06/FYDP)	LANT Top 6	Full Fund	Partial Fund	Unfunded	$ Taken (FY06/FYDP)
98.8/99.4%	Utilities		✓		$8.8/31.3M
	Core + MFL Ranges		✓		
	MFL Comms Svcs			✓	
	MFL C4I new HQ			✓	
	MFL AT/FP + Rqt		✓		
	MFL Facil Svc			✓	

	PAC TOP 5	Full Fund	Partial Fund	Unfunded	
98.6/98.7%	INCR MSN RQMTS IN AOR			✓	$6.1/37.3M
	MFP TRNG & OPS SPT		✓		
	MFP CMD & STAFF SPT		✓		
	MFP AVN OPS SPT		✓		
	TRANS COST INCREASES			✓	

	RES Top 5	Full Fund	Partial Fund	Unfunded	
98.2/97.8%	USMCR Exercises			✓	$1.8/14.2M
	Base SIPRNET			✓	
	Environmental/ABC/ATFP			✓	
	Facilities Civilian Personnel			✓	
	Facilities Rest. and Mod			✓	

✓ Indicates funding FYs 08, 09, 10 and/or 11

POM06 Discretionary



Major O&M Programs

TY$M	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FYDP
Facilities Sustainment	468	480	516	529	529	540	3,063
Navy/Marine Corps Intranet	307	307	306	311	318	324	1,873
Operations and Training Support	173	178	193	197	203	209	1,154
Depot Maintenance	123	160	195	196	212	217	1,103
General Staff and Management*	161	167	174	184	166	190	1,040
Utilities	142	141	141	190	196	204	1,013
Environmental Services	139	144	148	150	154	157	893
Installation Reform Costs**	110	122	114	116	118	122	702
FAC Services and Management	89	98	119	122	118	120	665
Defense Commissary Agency	101	104	107	110	112	115	648

*Gen. Staff & Mgmt is only a portion of CIVPERS salaries

**90% of this line supports Mil-to-Civ conversions pursuant to PBD 712

Top 10 Funded Investment

Change to Top 10

IOC

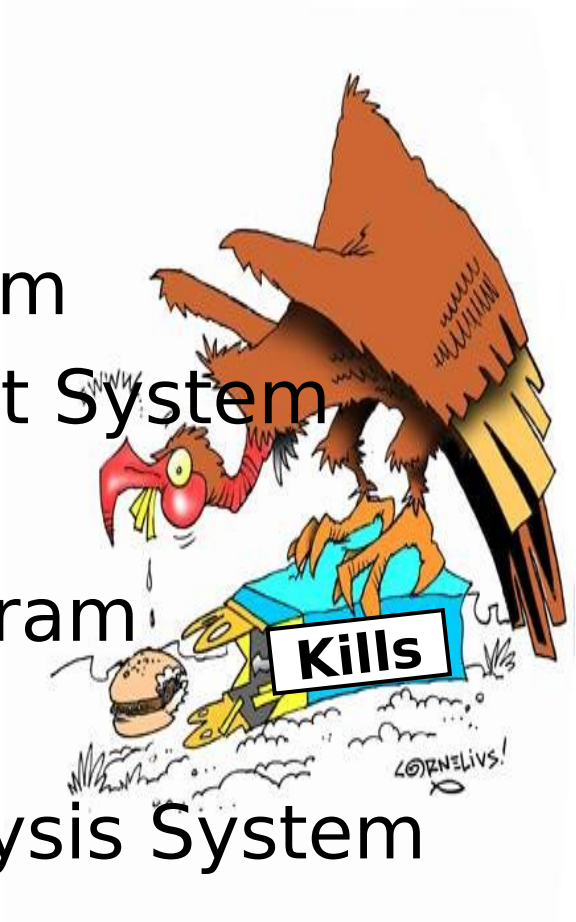
IOC Change

PB05 TY$M	FY04	FY05	FY06	FY07	FY08	FY09	Total
EFV	335.1	307.1	436.3	447.6	663.4	888.2	3077.8
HMMWVA2	136.3	133.4	143.9	162.0	161.1	45.5	782.2
HIMARS	24.7	20.7	169.7	245.6	69.9	55.4	586.0
LW-155	119.3	179.7	181.6	74.6	0.9	0.0	556.1
UOC	39.0	52.6	49.2	81.7	111.5	123.2	457.1
CAC2S	61.9	64.7	35.0	103.0	53.7	50.5	368.9
JTRS	21.8	35.2	37.5	105.9	86.5	79.1	366.0
Follow-on to SMAW	10.2	14.6	23.5	65.7	80.9	123.8	318.7
LVSR	8.5	4.8	31.9	62.3	97.1	57.2	261.7
CLAWS	19.0	22.8	53.7	51.3	72.0	31.1	249.9

POM06 TY$M	FY06	FY07	FY08	FY09	FY10	FY11	Total
EFV	436.3	447.6	663.4	876.2	1079.6	959.7	4462.9
LVS Replacement	37.4	69.2	125.8	148.4	214.4	217.6	812.7
HIMARS	175.9	251.3	71.8	60.0	49.0	36.3	644.3
JTRS	37.5	106.6	86.6	79.1	80.4	81.9	472.2
MRRS	19.0	33.0	91.4	90.0	110.0	110.0	453.4
LW-155	194.2	104.9	66.1	4.0	0.0	0.0	369.2
HMMWV	107.4	114.0	106.3	0.0	0.0	0.0	327.6
Common Aviation C2	35.0	103.0	53.7	50.5	38.3	38.2	318.7
CLAWS Launcher	8.9	15.9	84.7	75.8	48.2	20.8	254.3
GCSS-MC	35.2	42.4	48.4	39.4	32.6	28.2	226.2

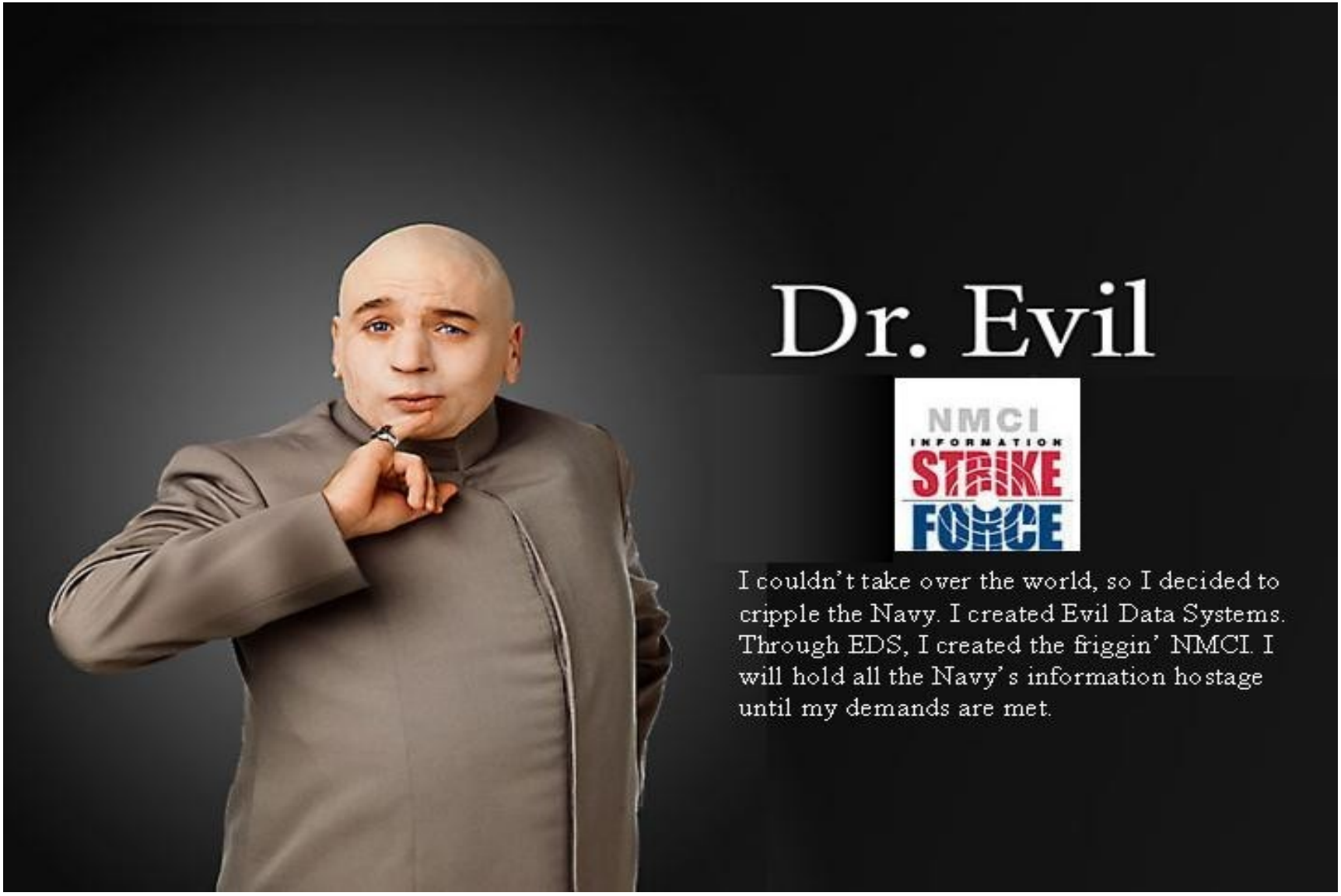
Potential Funding Kills

- Unit Operations Center (UOC)
- Anti-Armor Weapons System
- Expeditionary Fire Support System
- LAV Anti-Armor System & Fire Spt System
- Follow-on to SMAW
- TOW Service Life Extension Program
- MTVR Trailers
- Coastal Battlefield Recon & Analysis System
- Defense Advanced GPS Rcvr



***Investment area provides the only discretionary funds to balance the USMC POM. These Kills pay for increased costs in Manpower, Infrastructure, Training and any transformational efforts.**

Navy/Marine Corps Intranet


Dr. Evil
NMCI
INFORMATION
STRIKE
FORCE
I couldn't take over the world, so I decided to cripple the Navy. I created Evil Data Systems. Through EDS, I created the friggin' NMCI. I will hold all the Navy's information hostage until my demands are met.

Navy/Marine Corps Intranet

- Program baseline currently funded at $307M which roughly equates to 89k seats
- C4 has identified a need for an additional 30k seats at a cost of ~$100M
- C4 has also identified the need for $10M to support a program office and $12M to enable transition of legacy systems to the NMCI
- The U.S. Navy does not operate a program office as this program is administered by SPAWAR

POM06 Schedule

- POM Brief to Navy Secretariat – Late May
- POM Submit to FMB – 24 May
- DoN Review – Summer 2004
- DoN Budget Estimate Submission – 2 Aug
- OSD Program Review – Fall 2004
- OSD PDMs, PBDs – Dec 2004
- OSD PresBud Submit – Jan 2005
- OMB Pres Bud to Congress – Feb 2005

PROGRAM BUDGETING DOCUMENTATION DATABASE (PBDD)

The Single, Authoritative Fiscal Database for the USMC

Topics of Discussion

- PBDD Purpose (History & Background)
- Data Structure
- Report Options
- Interactive Demo

PBDD Purpose

- Program Development System
  - POM
- Spreadsheets & MS Access
  - Budget
- POM – Budget Handoff
  - Consistent Data
  - Consistent Financial Entities
- Execution Tie In
  - Cradle to Grave Visibility

PBDD Purpose (Cont'd)

- President's Budget Baseline
  - All Years
- POM Results
  - Core Setting
  - All Initiatives
    - Successful
    - Unsuccessful
  - End Game Offsets
- Budget Results
  - RF/Sponsor/OpBud Adjustments
  - NavCompt Adjustments
  - OSD Adjustments
  - Congressional Adjustments

PBDD Purpose (Cont'd)

- Execution Results
  - By AGSAG By OpBud
  - FY 05
    - » Base Ops
    - » OpForces
  - FY 06
    - » Everything Else

Data Structure

- BUDGET STRUCTURE
  - Appropriation
  - BLI – Budget Line Item (AGSAG)
  - MCPC – Marine Corps Programming Code
  - OpBud – Operating Budget Holder
  - PE – Program Element
- DELTA STRUCTURE
  - Issue Number
  - Issue Title

Reports

- Report on Issue/Initiative
- Ceiling Tracks
- Flexible data manipulation
- Excel Download
- Adobe Report with Subtotals

Hands On Demo

- Locate Portal
- Log Into Portal
- Basic Issue Lookup
- Run a Basic Financial Query
- Run a Report for An Activity
- Manipulate Views/Data Order/Hierarchies

QUESTIONS